

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** William F. Sherry, A.A.E.

**SUBJECT:** SEE BELOW

**DATE:** 06-16-05

Approved

Date

6/16/05

**SUBJECT: AIRLINES NEGOTIATIONS UPDATE RELATIVE TO CITY COUNCIL  
AGENDA ITEMS 8.2 AND 8.3**

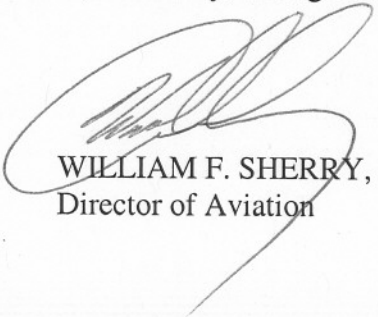
## SUPPLEMENTAL

This memorandum is intended to provide an update to the City Council on the outcome of the June 15 Airport Airlines Affairs Committee (AAAC) meeting to discuss the North Concourse project at the Norman Y. Mineta San José International Airport (SJC).

As background, on May 11, 2005, a meeting was held with the SJC Airport Airlines Affairs Committee (AAAC) to discuss the concerns the airlines had with regard to the above-referenced projects. After hearing the carriers' concerns, airport staff committed that an in-depth review of the projects would be undertaken and, to the extent practical, adjustments and refinements would be made to address the airlines' concerns. During the meeting, it was further agreed that an initial 30-day review would attempt to address immediate concerns, while a more in-depth, six-month review will address longer-term issues.

At yesterday's meeting with the airlines, staff presented a 30-day work plan and proposed initial modifications to the projects to address the carriers' immediate concerns. The workplan and proposed initial modifications were very well received at the meeting and the AAAC voted unanimously to move forward with the North Concourse project. Accordingly, the airlines support moving forward with award of the Package 2 and IT Procurement recommendations currently scheduled on the June 21 City Council agenda. Attached is a letter summarizing the AAAC's satisfaction with the results of yesterday's meeting.

The Airport remains committed to working collaboratively with the airlines and other strategic partners as we proceed with our six-month review and, ultimately, through Master Plan buildout.



WILLIAM F. SHERRY, A.A.E.  
Director of Aviation

Attachment



June 15, 2005

Mr. William Sherry  
Director of Aviation  
San Jose Mineta International Airport  
1732 N. First ST, Suite 600  
San Jose, Ca 95112

**Subject: Airline's Support of N. Concourse Project**

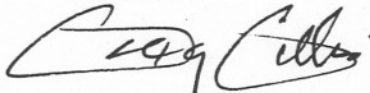
Dear Bill,

It is with excitement and appreciation that I send this letter on behalf of the SJCAAAC members supporting your efforts in going forward with the New North Concourse Terminal Project at San Jose Mineta International Airport. The actions you have undertaken to recognize and address the issues and concerns of the Airlines relative to this project are reflected by the mitigation efforts you proposed and presented to our members in the meeting of June 15, 2005. Based on the discussion at that meeting it is our understanding that the Airport will pursue the following as a means of reducing the operational and fiscal impacts to the Airlines:

- Reduce the projected 2009 CPE to \$ 8.50 with parity according to facilities utilized
- Delete the Terminal C Baggage Connection, therefore both Terminal A and Terminal C will not be included in the North Concourse Baggage Screening system
- Provide common use capability at gates where single airline saturation does not occur and provide provisions for schedule protection for the affected airline at those common use gates.
- Maintain a commitment to build a cost efficient and comparable facility that meets airline functional needs and satisfies City of San Jose aesthetic goals
- Work towards developing, implementing and incorporating a strategy that results in equivalent terminal facilities
- During the next six months, undertake a collaborative process with the Airlines to identify additional strategic mitigation measures to further reduce the CPE and allow for the prudent fiscal build out of the Airport's Master Plan.

The Airlines are appreciative of your efforts and look forward to working with you to identify additional mitigation measures that may result in benefits to both the Airlines and the Airport. The SJCAAAC membership recognizes the value of our partnership with San Jose. It has always been and will continue to be our intent to work cooperatively with the City to build the Airport facilities that best serve the community and our industry. We are excited about the progress we have recently made with you, relative to the North Concourse project and we unanimously endorse moving forward with this project, as discussed above. We remain committed to work collaboratively on future challenges.

Sincerely,



Greg Gillis

*Chairman AAAC*